

July 10, 2009

Memo

To: RETI Stakeholder Steering Committee
Clare Laufenberg Gallardo
California Energy Commission

From: Gregg Morris
SSC Biomass Rep

Comments on RETI Phase 2A Report (June 2009 Draft)

My comments are focused on the Executive Summary of the Phase 2A report, and the overall context in which the analyses and results are presented. In the present form, I believe we are doing harm to the renewables cause by failing to emphasize sufficiently that the conceptual transmission plan we have constructed is not entirely, or even primarily, attributable to the development of renewables in California. That is, we ought to emphasize from the opening that California's existing transmission system is inadequate for today's needs, and seriously inadequate for the state's future needs, regardless of what the future mix of generating sources might be, renewable or otherwise.

We are presenting, in the Phase 2A report, a scenario that is driven by the policy goal of achieving 33-percent renewables statewide by 2020. We are not presenting alternative (non-RPS-driven) scenarios for powering the state in 2020. Thus, whatever costs we estimate for our conceptual plan are costs for one option for upgrading the state's transmission system, and should not be construed as being attributable to, or chargeable to, the state's renewable-energy policy program.

The first real acknowledgement in the draft report that much of the transmission infrastructure that is included in the RETI conceptual plan is not in fact specific to renewables, and should not be attributed to the state's renewable-energy programs, comes in section 1.3.3.2, on page 1-18:

Because the segments in this group [Foundation] provide major system benefits and are likely to be needed to meet load growth regardless of generation source, it is not appropriate to attribute their cost to the cost of meeting renewable energy or climate change goals. For the same reason, the aggregate cost of the 13 Delivery line, \$3.4 billion, should not be attributed solely or primarily to renewable energy development.

Indeed, section 1.3.3.1 on the same page presents the RETI Least-Regrets strategy, which involves those features of the RETI conceptual plan that are **not** specific to renewables, but rather are likely to be needed "under a wide range of planning scenarios." The transmission lines in this category include virtually all of the Foundation and Delivery lines, as well as some of the significant renewables-collector lines, like Tehachapi. In

other words, most of the elements of the RETI conceptual plan should **not** be represented as being renewables-specific costs at all! This needs to be clarified on the first page of the report, and as frequently as possible (as appropriate) thereafter.

I propose adding the following paragraph in the middle of page 1-2, before the paragraph beginning, “The conceptual transmission plan ...”:

California’s transmission system is not adequate for serving the state’s energy needs today. Regardless of whether the state pursues a renewables-rich future, or any other future energy-supply mix, large investments in transmission infrastructure will be needed between now and 2020. The RETI phase 2A report presents a comprehensive conceptual-transmission scenario that is designed to facilitate meeting the state’s policy goal of 33-percent renewables by 2020. The conceptual transmission plan presented in this report is one possible scenario for the future development of California’s electricity system. Many of the elements of the RETI conceptual plan would be required by other (non-renewables-based) future scenarios. Thus, the cost estimates presented in this report for the RETI phase 2A conceptual transmission plan are not costs that should be interpreted as being a direct result of the state’s renewable-energy programs. That cost, if there is any, could only be determined by comparing the RETI scenario with alternative comprehensive conceptual-transmission scenarios for the development of the state’s electricity grid.

On another topic, I believe that we should be clear that our innovative analytical approach to dealing with cross-cutting environmental and engineering issues supplements, but does not supplant, the use of human judgment in determining transmission priorities for achieving California’s renewable energy goals. To that end, I propose adding the following sentence to the third paragraph in section 1.3.1.1, page 1-8, making it the second sentence in the paragraph:

To this end, RETI has developed a new, objective methodology for assessing the usefulness of potential transmission facilities for the purpose of delivering economically competitive and environmentally preferred renewable energy. **This objective methodology does not completely replace the use of expert judgment in the planning process, but rather combines elements of expert judgment with elements of analytical analysis within a transparent framework that helps to elucidate the ranking process for both planners and the public.** Planning began with the renewable energy requirements of California LSEs in 2020 ...

Respectfully Submitted,



Gregg Morris
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